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II

106TH CONGRESS
1ST SESSION

S. 696

To require the Secretary of Health and Human Services to submit to Congress a plan to include as a benefit under the medicare program coverage of outpatient prescription drugs, and to provide for the funding of such benefit.

IN THE SENATE OF THE UNITED STATES

MARCH 24, 1999

Mr. WELLSTONE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require the Secretary of Health and Human Services to submit to Congress a plan to include as a benefit under the medicare program coverage of outpatient prescription drugs, and to provide for the funding of such benefit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Medicare Prescription
5 Drug Coverage Act of 1999".

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1 SEC. 2. STUDY AND LEGISLATIVE PROPOSAL TO CONGRESS.

2 (a) STUDY.—The Secretary of Health and Human
3 Services shall conduct a study with respect to the estab-
4 lishment of an outpatient prescription drug benefit under
5 the medicare program that provides for full coverage of
6 outpatient prescription drugs for medicare beneficiaries.

7 (b) ADDITIONAL MATTERS STUDIED.—In conducting
8 the study under subsection (a), the Secretary of Health
9 and Human Services shall include a determination of
10 whether Federal estate tax revenues, transferred to the
11 Federal Hospital Insurance Trust Fund by reason of the
12 amendments made by section 3 of this Act, are sufficient,
13 in excess of the amount required, or insufficient to defray
14 the costs of such outpatient prescription drug benefit.

15 (c) REPORT TO CONGRESS.—Not later than 180 days
16 after the date of the enactment of this Act, the Secretary
17 of Health and Human Services shall submit to Congress
18 a report containing a detailed description of the results
19 of the study conducted pursuant to this section, and in-
20 clude in such report a legislative proposal to provide for
21 such outpatient prescription drug benefit.

1 SEC. 3. TRANSFER OF FEDERAL ESTATE TAX REVENUES TO
2 MEDICARE PROGRAM TO OFFSET COSTS OF
3 PRESCRIPTION DRUG BENEFIT.

4 (a) TRANSFER TO FEDERAL HOSPITAL INSURANCE
5 TRUST FUND.—Section 1817(a) of the Social Security
6 Act (42 U.S.C. 1395i(a)) is amended—

7 (1) by striking “and” at the end of paragraph
8 (1),

9 (2) by striking the period at the end of para-
10 graph (2) and inserting “; and”, and

11 (3) by inserting after paragraph (2) the fol-
12 lowing new paragraph:

13 “(3) the taxes imposed by chapter 11 of the In-
14 ternal Revenue Code of 1986 with respect to estates
15 of citizens or residents reported to the Secretary of
16 the Treasury or his delegate on tax returns under
17 subtitle F of such Code, as determined by the Sec-
18 retary of the Treasury by applying the applicable
19 rate of tax under such chapter to such estate.”.

20 (b) ESTABLISHMENT OF SEPARATE ACCOUNT FOR
21 OUTPATIENT PRESCRIPTION DRUG BENEFIT.—Section
22 1817 of such Act (42 U.S.C. 1395i) is amended by adding
23 at the end the following new subsection:

24 “(1) OUTPATIENT PRESCRIPTION DRUG ACCOUNT.—

25 “(1) ESTABLISHMENT.—There is hereby estab-
26 lished in the Trust Fund an expenditure account to



1 be known as the 'Outpatient Prescription Drug Ac-
2 count'.

3 "(2) CREDITING OF FUNDS.—The Managing
4 Trustee shall credit to the Outpatient Prescription
5 Drug Account such amounts as may be deposited in
6 the Trust Fund pursuant to subsection (a)(3).

7 "(3) USE OF FUNDS.—Funds credited to the
8 Outpatient Prescription Drug Account may only be
9 used to pay for outpatient prescription drugs fur-
10 nished under this title."

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section apply to payments received by the Secretary
13 of the Treasury on or after the date of the enactment of
14 this Act for taxes imposed by chapter 11 of the Internal
15 Revenue Code of 1986.

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